

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Establishment: Misappropriation of funds Municipal Corporation, Kakinada by the Municipal Corporation employees to a tune of Rs.25,61,101/- Sanction of prosecution Orders in Cr.No.7/2006 U/S 408,409, 477(A), 120(B) IPC of CID P.S. Hyderabad- Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT DEPARTMENT

G.O.Ms.No. 80

Dated:06-2-2009
Read the following:

ORDER

D.Lakshmi, Junior Assistant, worked as G-4 Clerk from 4.5.2001 to 31.7.2003 in Town Planning Section of Municipal Corporation, Kakinada was a public servant within the meaning of section 21 IPC of 1860 (Central Act 14 of 1860).

Whereas, as it is reported by K.Venkateswarlu, Commissioner of Municipal Corporation, Kakinada has submitted a specific report to Addl. Director General of Police, CID, Andhra Pradesh, Hyderabad, stating that during the local fund audit inspection for the year 2004-2005 at Municipal Office, Kakinada, the local officer has noticed certain irregularities in the Town Planning and account sections, wherein, Town Planning and Accounts Section Staff have used and admitted forged challans, and caused financial loss to the municipal corporation and misappropriated an amount Rs.26.68 lakhs during the period from 1999-2000 to 2004-2005 with modus operandi of fake chalans. In this regard 8 employees of Municipal Corporation, Kakinada were involved, out of them 7 were placed under suspension and one was retired. The Municipal Commissioner, Kakinada requested for detailed investigation for taking necessary action against the respondents.

On the strength of the report of complainant Sri Karanam Venkateswarlu, Municipal Commissioner, Municipal Corporation, Kakinada N/o Gudluru Village, Rajapatnam Mandal, Cuddapa District, a case in Cr.No.7/2006 u/s 408, 409, 477(A), 420 and 120 (B) IPC of CID P.S. was registered on 01-09-2006 at 12 noon. A copy of FIR was sent to Inspector of Police, CID RCIU, Rajahmundry, E.G. District for investigation.

During the course of investigation, the Investigating Officer has examined as many as 107 witnesses including the building applicants and the I.O. has also obtained and seized the relevant records, documents and challana copies etc., and verified the same and found the irregularities. Further it is established that the numbers given to the other Challanas of other heads for similar amounts were given again to these challanas i.e., the challanas in question of building applications and registers were shown as if the amounts mentioned in the challanas were remitted into Chitta. The challan numbers of the registered building applications and the challan numbers noted in the chitta are appearing one and the same. But the amounts, the names of the applicants and the nature and purpose of remittances are entirely different. Therefore, the challans and receipts of Town Planning were misappropriated by adopting the challan numbers of genuine remittances made to the sections by adopting fake modus operandi. Thus, the staff of Town Planning Section and Accounts section

misappropriated an amount of Rs.25,61,101/- by not remitting to the Municipal Treasury.

The above, swindle occurred during the period from 1999 to 2005. On 13.05.2005, the then Commissioner (FAC) M.Dhana Kishore has instructed the TPO to inspect all the buildings and submit report. On 12.05.2005, the TPO gave th report with the details of the defrauded/ fraudulent challans, names of the applicants, building application numbers and the names of the Licensed surveyors to the Commissioner. As per the report submitted by the TPO, the Commissioner ordered a detailed enquiry to be taken up by District Audit Officers, State Audit, E.G. District and suspended the concerned fur clerks i.e., A-3, A-4, A-5 and A-9 on 19.04.2005. On the next day i.e., on 20.04.2005, 3 more employees i.e., A-1, A-12 and A-14 were suspended. The clerical staff were suspended for failure of verification and reconciliation of challans. The TPO (A-14) (in charge) was suspended for his failure in maintenance of Subsidiary in respect of Town planning Receipts. A-1 Shoroff was suspended for running a parallel Treasury ad filing the fake numbered challans neatly attaching to the building applications. The Attender-12 was suspended for his alleged involvement in forged and faked challans filling.

The main source of this case is the audit report and this scam was detected in the audit inspection for the year 2003-2004. During the audit, it was noticed that certain receipt amounts were misappropriated by adopting fake challan numbers towards remittance of building license fee and other fees connected with the approval of plans like water harvest pit charges, Tree Guard charges, Development charges etc., Later as per the instructions of the District Collector, E.G.Dist., who is the special officer of Kakinada Municipality, records of town planning for the years 1999-2000 to 2002to 2005 were verified and found misappropriated amount of Rs.26,68,356/- and District Audit Officer, Kakinada E.G.District, had submitted his audit report on 15.05.2005.

The building applicants remitted the amount to the Shoroff (A-1and A-2) at Municipal Treasury. The Shoroff colluded with the clerical staff of Accounts Section and Town Planning Section, without entering the challans in the Chitta and miscellaneous register at the concerned clerks by simply putting the receipt stamp and signed the challans detaining one copy of challan with B-5 (A-13) and issuing two copies of the challans to the concerned applicant. The A-1 and A-2 collected the challana amounts mentioned on the challana from the building applicants and put the receipt stamp ad marked fake challana number which was allotted to the other applicant who paid less amounts for other purpose. They signed the challans and forwarded them to the B-5 clerk (A-13) for certification after verification of amounts and challans. After verification and certification of challans, B-5 retained one copy of chalan without forwarding the said challan, to B-3 clerk to enter the same in M.R. Register. The B-5 clerk (A-13) issued the challans directly to the applicants. Thus, the A-1 and A-2 colluded with the A-13 (B-5 Clerk cum cashier) of account section and misappropriated the amount during the period 1999, 2000 to 2004 to 2005. Thus, the A-1, A-2 and A-13 are liable for punishment.

The A-3 to A-11 being G1to G4, the clerical staff of the Town Planning section colluded with A-1, A-2, A-13 of account section and misappropriated the Municipal funds. On receipt of the building applications along with challans, the G-1 clerk entered the same in the consolidate register and distributed the same among other clerks basing on the jurisdiction, where

the individual is to construct the building. The concerned clerks are to enter the receipts of applications in individual building application registers and verify the said challans and mounts with the Chitta and M.R.Registers to see whether challans are genuine or not and later forward the same to the Town Planning Officer to visit the proposed building site of the applicant to certify the building application with specific remarks or recommendations for approval. But the G-1 to G-4 clerks (A-3 to A-11) in pursuance of their common intention and prior conspiracy, they have intentionally failed to reconcile the receipts of challans with chitta and M.R.Registers and simply forwarded the applications to the Town Planning Officer. Thus, G-1 to G-4 clerks i.e., A-3 to A-11 are liable for punishment as they willfully neglected to cause necessary verification and reconciliation of challans, which have been enclosed to the building applications by the applicants that without cross checking with the M.R. or Chitta Registers which are maintained by the amount staff and Shoroff respectively. Thus resulted in huge number of fake number challans coming with the building applications.

A-14 J.D. Anand Kumar, the then T.P.O. willfully neglected to maintain subsidy register during his tenure and failed to check the individual B.A. Register of his sectin. Thus, failed to detect the frauds committed by his subordinates i.e., clerical staff (A-3 to A-11). Therefore A-14 is also liable for punishment. A-15 Gurram Pratap Reddy, the then Municipal Commissioner, Municipal Corporation, Kakinada directly approved 51 Nos. building applications without specific remarks of the Town Plannign Officer, which is contrary to the procedure. He has also willfully neglected to cross check the register maintained in accounts section and town planning section during his tenure. Thus he is also liable for punishment.

In this offence, it was revealed in the investigation that there are 15 employees in the Town Plannign & Accounts Section of Municipal Corporation, Kakinada are accused. They are:

- A.01** Kongarapu Venkateswara Rao, Junior Assistant, worked as B-7(Shoroff) Clerk for the period from 6.4.2001 to 19.4.2005 in Accounts Section, Municipal Corporation, Kakinada.
- A.02** M.V. Rama Sastry, Junior Assistant, worked as B-7 (Shoroff) Clerk from 1.4.1999 to 5.4.2001 and as B4 Clerk for the period from 1.1.2003 to 30.1.2005 in Accounts Section, Municipal Corporation, Kakinada.
- A.03** Errapothu Rukmini Kumari, Senior Assistant, worked as G-1 Clerk from 4.4.2001 to 8.4.2005 Town Planning Section of Municipal Corporation, Kakinada.
- A.04** Goruganthala Narasamamba, Junior Assistant worked as G-4 Clerk from 1.8.2003 to 18.4.2005 Town Planning Section of Municipal Corporation, Kakinada.
- A.05** pirla Ganga Rao, Junior Assistant worked as G-4 Clerk from 1.4.1999 to 3.4.2001 and as G-2 clerk from 1.12.2001 to 18.4.2005 Town Planning Section of Municipal Corporation, Kakinada.

- A.06** D.Lakshmi, Junior Assistant worked as G-4 Clerk from 4.5.2001 to 31.7.2003 in own Planning Section of Municipal Corporation, Kakinada.
- A.07** Vedula Chandra Sekhar, Junior Assistant worked as G-3 from 29.12.1999 to 3.4.2001 own Planning Section of Municipal Corporation, Kakinada.
- A.08** M.Yesu Babu, Junior Assistant worked as G-3 Clerk from 1.12.2001 to 7.10.2004 own Planning Section of Municipal Corporation, Kakinada.
- A.09** Gurrapu Maruthi Prama Swarop., Junior Assistant worked as G-3 clerk from 1.12.2005 to 16.4.2005 own Planning Section of Municipal Corporation, Kakinada.
- A.10** Borra Rama Rao, Junior Assistant worked as G-2 clerk from 1.4.1999 to 4.4.2001 own Planning Section of Municipal Corporation, Kakinada.
- A.11** K.Bhaskara Rao, Senior Assistant worked as G-1 from 1.5.1999 to 3.4.2001 own Planning Section of Municipal Corporation, Kakinada
- A.12** Allampalli Satya Prasad worked as Attender 12.11.1994 to 19.4.2005 at own Planning Section of Municipal Corporation, Kakinada.
- A.13** S.Bhushana Rao, Senior Assistant B-5 Clerk, (Cashier) Accounts Section, Municipal Commissioner's Office, Kakinada.
- A.14** Jaladi Devid Ananda Kumar, worked as Town Planning Supervisor, and also in charge of own Planning Section of Municipal Corporation, Kakinada.
- A.15** Gurram Prathap Reddy worked as Municipal Commissioner, Municipal Corporation, Kakinada.

During the course of investigation, the CID collected sufficient oral/documentary evidence and established the following charges against the accused D.Lakshmi, Junior Assistant, worked as G-4 Clerk from 4.5.2001 to 31.7.2003 in Town Planning Section of Municipal Corporation, Kakinada. (A-6 in this case)

The following are the attribution of the offence to the A-6 D.Lakshmi individually:

A-6 D.Lakshmi, She is the junior Assistant worked as G-4 Clerk from 4.5.2001 to 31.7.2003 in Town Planning Section of Municipal Corporation, Kakinada. On receipt of building applications along with challans, A-6 being the G-4 clerk has to enter the receipt of the applications in individual building applications registers and verify the said challans ad mounts with the chitta ad M.R. see whether challans are genuine or not? Later forward the same to the Town Planning Officer to visit the proposed building site of the applicant to certify the building application with specific remarks or recommendation for approval. However, A-6 intentionally failed to reconcile her individual B.A.register of the receipts of challans with the chitta and M.R.Registers and simply forwarded the applications to the Town Planning Officer. Thus the A-6 in collusion of other accused intentionally failed to

cause necessary verification, reconciliation of challans that have been enclosed to the building applications by the applicants without crosschecking either with the Miscellaneous Register or Chitta which maintained by the Accounts Section and Shoroff respectively thus, resulted in huge number of forged challans coming up with the building applications. Thus A-6 has individually misappropriated amount of Rs.1,19,692/- Hence she is liable for punishment under the above sections of law 408, 409, 4777(A) 420, 120(B) IPC.

Whereas the Govt. of Andhra Pradesh after careful examination of the report of the CID, Andhra Pradesh and record of investigation placed before them to consider that the accused D.Lakshmi, Junior Assistant, Town Planning Section of Municipal Corporation, Kakinada. (A-6 in this case) E.G.District A.P. be prosecuted in the court of law for the said offences.

Now, therefore, in exercise of the powers conferred by Sub-section 3 of section 197 of the code of criminal procedure 1973, (Act 2 of 1974) the Government of Andhra Pradesh hereby accord sanction for the prosecution of D.Lakshmi, Junior Assistant, Town Planning Section of Municipal Corporation, Kakinada. (A-6 in this case) E.G.District A.P. for the aforesaid offences and for any other provisions of law in respect of the aforesaid acts while acting are purporting to act in discharge of his official duties and for taking cognizance of the offences by the court of competent jurisdiction. The Govt. of Andhra Pradesh further in exercise of powers conferred under sub-section-4 of section 197 of Code Criminal procedure 1973 hereby authorize the Inspector of Police, CID, RCIU, Rajahmundry to prosecute the above mentioned accused for the said offences and for taking cognizance of the said offences by the court of competent jurisdiction.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.C.V.S.K.SARMA
Principal Secretary to Government

To
The Addl. Director General of Police, Crime Investigation Department,
A.P. Hyderabad

//FORWARDED BY ORDER//

SECTION OFFICER